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For information on preparation of manuscript, see advertising page 2

California Medicine

EDITORIAL

Utilization Review Plan

THE MEDICAL STAFF of almost every hospital in California faces the immediate prospect of participating in the formation of a utilization review plan. Under Public Law 89-97—"Medicare"—the State Department of Public Health will need to "certify" to the Federal Government by about 15 May 1966 that a hospital meets all requirements for "participation"—including a requirement that it have an acceptable plan for review of hospital utilization. Unless it is so "certified," a hospital cannot receive government payment for those services prescribed under the law to almost all persons 65 years of age and over.

The purpose of utilization review in hospitals is primarily educational—to permit the medical staff, by reviewing and analyzing patterns of medical care, to improve its use of the services and facilities of the hospital. If, as a result of utilization review, beds and services come to be used to maximum efficiency, a number of benefits result: More patients can be taken care of, diagnostic services are performed more promptly, delays in scheduling surgical operations are minimized, hospital stays are shortened, convalescent facilities tend to be improved and the total cost of hospitalization is reduced for most patients.

By placing this requirement in the federal law, Congress hoped to improve utilization patterns in all hospitals, thus improving efficiency and holding down costs of hospital care. The law requires an activity which has been recommended by the American Medical Association since 1959, by the California Medical Association since 1960, and is now a requirement for accreditation by the Joint Commission on Accreditation of Hospitals.

Most medical staffs will have little difficulty in forming a committee to review, "on a sample or other basis," admissions to the hospital, lengths of stays and the use of diagnostic and treatment facilities, for the purpose of achieving the best possible use of the hospital and of other facilities within the community. In some hospitals a medical staff committee will have utilization review as its only function, while in other institutions the utilization review plan may be implemented by existing committees. When a medical staff is too small or the institution does not have an organized staff, a group outside the hospital, which is established by the county medical society, should on request assist the hospital by undertaking to create and administer a utilization review plan.

Every chief of staff and each hospital administrator has received "Guidelines for Utilization Review" developed by the California Medical Association and jointly distributed by the CMA and the California Hospital Association. By following these guidelines, most hospitals may readily establish an acceptable utilization review plan.

In addition to reviewing the general pattern of care, another of the requirements of the law is that the plan must provide for the review of *each* case in which the patient stays in the hospital for "a period of extended duration." The medical staff utilization committee must decide what constitutes such an extended stay. The review of the case must be done no later than one week after the patient has remained in the institution for an "extended duration." If, after consultation with the attending physician, it is found not to be medically necessary for the patient to remain in the institution, then

the attending physician, the hospital and the patient must be notified promptly of this finding. The carrier will cease paying the hospital for service furnished on behalf of the patient beyond the fourth day after the hospital receives notice of such finding.

This legal requirement would appear to be "claims review," rather than an educational activity. Fortunately, the law itself and the implementing regulations are quite flexible. For example, it would be perfectly legal for a medical consultant employed by the carrier to review extended duration cases, referring those which seem questionable to the utilization committee of the hospital or to a committee of the county medical society, for final determination as to "medical necessity." Such an approach would relieve the staff committee of much tedious and time-consuming chart review.

Great flexibility is also permitted and encouraged in other facets of utilization review. For example, medical records committees could do much of the chart review as they now do in many hospitals. Data gathering and sorting operations utilizing electronic processing techniques may be used by utilization committees as a basis for their studies, thus eliminating almost entirely the study of individual records. Eventually, nearly all hospitals will probably use such electronic data processing methods to analyze their patient care and utilization experience.

The activity of a utilization review committee should not be confused with county medical society mediation committee functions. A mediation committee deals with individual cases in which questions are raised or complaints made about charges, coverage and treatment. The mediation committee will continue to handle such cases. A utilization committee recommendation might be considered by a mediation committee in a particular, disputed case. The utilization review committee will primarily concern itself with trends and not with dollars and cents. In the long run, these committees will complement each other.

By studying utilization data, staff committees could perform an interesting and valuable function—helpful to the medical staff, to the hospital, and most importantly, to the patient, about whose optimal medical care the entire health care team must be vitally concerned.

In performing utilization review studies, the staff committee accepts no greater legal responsibility than do the committees concerned with records, tissues or credentials. Under California law, such committees, acting in good faith, and "without malice, prejudice or caprice," are legally exempt from civil liability. Regardless of the fact that it is required by law, utilization review should be a responsibility of each medical staff, and it should be carried out in a manner which reflects the continuing concern of physicians for the public health and welfare.

A New Feature

ELSEWHERE IN THIS ISSUE [page 124] we publish discussions of two cases selected from the weekly Medical Staff Conferences held at the University of California Medical Center, San Francisco. We plan to present interesting cases from these conferences in succeeding issues.

For some time, *California Medicine* has been looking for a regular monthly supply of well turned out clinical conferences to meet a recommendation by the Committee on *California Medicine* that material of this kind be added to the continuing medical education function of your journal.

Under the general supervision of Dr. Lloyd H. Smith, Jr., Professor of Medicine and chairman of the Department of Medicine, the reports are being prepared from transcripts by two assistant professors in the department, Dr. Martin J. Cline and Dr. Hibbard E. Williams.

We are pleased to offer this new feature and we welcome readers' comments.